

THE UNITED STATES

Reading Essentials and Study Guide 2

An Economic Leader

Key Terms

free enterprise system economic system in which individuals have the right to run businesses and make a profit with limited government interference

service industry businesses that provide services to people instead of producing goods

navigable body of water that is wide and deep enough to allow ships to pass

fossil fuel coal, oil, or natural gas

acid rain rain containing high amounts of chemical pollutants

landfill areas where trash companies dump the waste they collect

recycling reusing materials instead of throwing them out

free trade trade that flows freely among countries without trade barriers

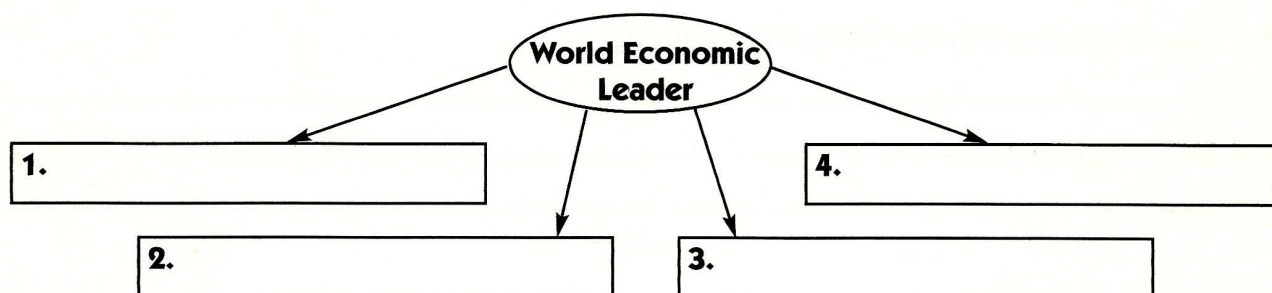
Drawing From Experience

What do people do for a living in your area? Are they mostly farmers? Do they work in factories? Do they provide services?

The last section discussed the many kinds of land areas and climates in the United States. In this section, you will learn what the different regions of the United States add to the country's economy.

Organizing Your Thoughts

Use the diagram below to help you take notes. List four ways that the United States's economy leads the world.



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Reading Essentials and Study Guide 2 (continued)

Read to Learn

Introduction

The United States has a large and growing economy. Freedom is behind this economic activity. The **free enterprise system** is based on the idea that individuals have the right to run businesses and make a profit. The government plays only a small role. Americans are free to start businesses and keep the profits. They are free to work in any job they want.

5. In what ways are people free in the American economic system?

The World's Economic Leader

The United States has the world's largest economy. It makes more money from the sale of its goods and services than any other country.

American farms produce about half of the world's corn. The United States provides much of the world's wheat and meat. The United States sells more food to other countries than any other nation. Yet farming makes up only about 2 percent of the economy.

The United States has large amounts of minerals. It provides much of the world's coal, copper, and oil. It also has much iron ore, zinc, lead, silver, gold, and other minerals. Still, mining makes up only about 1 percent of the economy.

American factories make cars and planes. They make machines and medicines. Manufacturing makes up almost 20 percent of the American economy.

The largest part of the economy is services. In a **service industry**, businesses provide services to people. They do not produce goods. Banks are services. Entertainment is, too. America leads in world tourism, another service. Internet services have also become an important part of American business.

6. How is banking different from manufacturing?

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